Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 PM-03 NSC-05 SP-02 SS-15 TRSE-00 MC-02

ACDA-05 OMB-01 COME-00 EB-07 PA-01 PRS-01 USIE-00

SSO-00 NSCE-00 INRE-00 CIAE-00 INR-07 NSAE-00 /062 W ------ 059324

O R 221223Z MAR 75 ZFF-6

FM AMEMBASSY BRUSSELS

TO SECSTATE WASHDC IMMEDIATE 3474

SECDEF WASHDC IMMEDIATE

OSAF/IL WASHDC IMMEDIATE

INFO AMEMBASSY COPENHAGEN

AMEMBASSY THE HAGUE NIACT IMMEDIATE

AMEMBASSY OSLO

AMEMBASSY PARIS

S E C R E T BRUSSELS 2552

NOFORN

E.O. 11652: XGDS TAGS: MASS, NL, BE

SUBJECT: F-104 REPLACEMENT

- 1. THE BELGIAN GOVERNMENT APPEARS TO BE IN THE LAST STAGE OF ITS DECISION MAKING PROCESS. MINISTERS AND OFFICIALS HAVE HAD MANY MEETINGS ON THE F-104 REPLACEMENT IN THE LAST SEVERAL DAYS. WE ARE GETTING CONFLICTING ACCOUNTS. SORTING THESE OUT, WE THINK THAT THE SITUATION SHAPES UP AS FOLLOWS:
- 2. CONFRONTED WITH AN AMERICAN PRICE SUBSTANTIALLY LOWER THAN THE FRENCH PRICE, REPRESENTATIVES OF THE FRENCH GOVERNMENT AND DESSAULT DEMANDED THE RIGHT TO SUBMIT A NEW OFFER. THE BELGIANS AND THE DUTCH AGREED AND HAVE MET SEVERAL TIMES WITH THE FRENCH IN THE HAGUE AND BRUSSELS.

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3. WE ARE TOLD THAT THE FRENCH HAVE MADE SEVERAL

NEW OFFERS IN AN EFFORT TO BEAT OR APPEAR TO BEAT THE PRICE OF THE F-16. THE FIRST NEW OFFER WAS A CLUMSY SLIGHT OF HAND WHICH THE DUTCH AND THE BELGIANS QUICKLY SPOTTED. THE SECOND NEW OFFER APPEARS TO HAVE HAD ELEMENTS OF FLIM-FLAM AND INCREASED GOVERNMENTAL SUBSIDIES. SOME BELGIANS ARE CLAIMING THAT THIS SECOND NEW PRICE IS LOWER THAN THE AMERICAN PRICE; OTHER BELGIANS SAY THAT THE AMERICAN PRICE IS STILL LOWER.

- 4. ADDITIONAL BELGIAN-DUTCH-FRENCH MEETINGS ARE ANTICIPATED EARLY NEXT WEEK AND THE FRENCH ARE EXPECTED TO BRING THEIR PRICE DOWN FURTHER EITHER BY MANIPULATION OF THE ASSUMPTIONS OR BY INCREASING THEIR SUBSIDIES OR BOTH.
- 5. THE BELGIAN AND DUTCH MINISTERS OF DEFENSE ARE SCHEDULED TO MEET ON MARCH 24 AND THE BELGIAN AND DUTCH FOERIGN AND DEFENSE MINISTERS ARE EXPECTED TO MEET ON MARCH 25. THESE MEETINGS ARE IN PREPARATION, ON THE BELGIAN SIDE, FOR A MEETING OF THE INNER CABINET ON MARCH 26
- 6. THE DELIBERATIONS OF THE INNER CABINET WILL BE BASED ON A PAPER BEING PREPARED IN THE DEFENSE MINISTRY. THIS IS THE RUB. THE DEFENSE MINISTRY OFFICIALS, UNDER THE STERN EYE OF VANDEN BOEYNANTS, CAN BE EXPECTED TO USE A WHOLE BAG OF TRICKS TO PRESENT THE FRENCH CASE IN THE BEST POSSIBLE LIGHT. SUCH A SLANTED, PRESENTATION COULD CHANGE THE OPINIONS OF THOSE MINISTERS LEANING TOWARD THE FA-16, PROBABLY ECONOMIC MINISTER OLEFFE AND FINANCE MINISTER DECLERCQ AND POSSIBLY FOREIGN MINISTER VAN ELSLANDE.
- 7. YESTERDAY WE PROTESTED TO VAN BELLINGHEN,
 THE CHEF DE CABINET IN THE FOREIGN MINISTRY, ABOUT THE
 PROCEDURE BEING FOLLOWED. WE SAID THAT THE U.S. SHOULD BE
 GIVEN EQUAL TIME. WE TOLD HIM THAT WE DID NOT EXPECT THAT
 THERE WOULD BE ANY LAST MINUTE IMPROVEMENT IN THE U.S. OFFER,
 WHICH HAD BEEN BASED ON VERY THOROUGH ANALYSIS AND CAREFUL CALCULATIO
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WE WERE CONTENT TO STAND ON OUR OFFER, WHICH WE REGARDED AS EXCELLENT, BUT WE WERE CONCERNED THAT IT WOULD BE DISTORTED IN THE PRESENTATION TO BE MADE BY THE DEFENSE MINISTRY. WHAT WE ASKED FOR WAS THE RIGHT TO EXAMINE HOW OUR CASE WAS BEING PRESENTED.

8. VAN BELLINGHEN ADMITTED THAT THE PROCEDURE BEING FOLLOWED WAS UNJUST AND ACKNOWLEDGED THAT

"THE DEFENSE MINISTRY'S COMPUTERS FUNCTION POORLY". HE SAID HE WOULD THINK ABOUT OUR REQUEST FOR REBUTTAL TIME. WE WILL CONTINUE TO PUSH THIS REQUEST EARLY NEXT WEEK.

9. THE AMBASSADOR IS MEETING WITH PRIME MINISTER TINDEMANS MONDAY AT 5:00 P.M. WE HAVE THE MILITARY AND ECONOMIC ARGUMENTS WELL IN HAND. DOES WASHINGTON WANT THE AMBASSADOR TO MAKE A POLITICAL POINT? HE COULD SAY, FOR EXAMPLE, THAT THE UNITED STATES URGES THE BELGIAN GOVERNMENT TO MAKE ITS DECISION EXCLUSIVELY ON THE BASIS OF MILITARY AND ECONOMIC CONSIDERATIONS AND THAT THE UNITED STATES WOULD FIND IT HARD TO UNDERSTAND IF A NATO ALLY WERE TO FAIL TO SELECT THE BEST PERFORMING PLAN, ESPECIALLY WHEN THE ECONOMIC ADVANTAGES FOR BELGIUM OF THE F16 ARE GREATER THAN OR, AT THE VERY LEAST, AS GREAT AS THE F-1. THE AMBASSADOR COULD ADD THAT A DECISION TO BUY THE FRENCH PLANE ON EUROPEAN POLITICAL GROUNDS COULD CONTRIBUTE TO THE ISOLATIONIST TENDENCIES IN THE U.S. REFERRED TO IN THE PRESIDENT'S NOTRE DAME SPEECH.

10. PLEASE ADVISE.FIRESTONE

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